

INSURANCE CODE

TITLE 8. HEALTH INSURANCE AND OTHER HEALTH COVERAGES

SUBTITLE H. HEALTH BENEFITS AND OTHER COVERAGES FOR GOVERNMENTAL  
EMPLOYEES

CHAPTER 1550. CERTAIN REQUIREMENTS FOR INSURERS CONTRACTING WITH  
GOVERNMENTAL ENTITIES

SUBCHAPTER B. CERTAIN CONTRACTS  
WITH MUNICIPALITIES

Sec. 1550.051. DEFINITION OF INSURER. In this subchapter,  
"insurer" means:

(1) an insurance company, including a company  
providing stop-loss or excess loss insurance;

(2) a health maintenance organization operating under  
Section 1367.053, Subchapter A, Chapter 1452, Subchapter B, Chapter  
1507, Chapter 222, 251, or 258, as applicable to a health  
maintenance organization, Chapter 843, Chapter 1271, and Chapter  
1272;

(3) an approved nonprofit health corporation that  
holds a certificate of authority issued under Chapter 844; or

(4) a third-party administrator that holds a  
certificate of authority under Chapter 4151.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec.  
1G.002, eff. April 1, 2009.

Sec. 1550.052. BID REQUIREMENTS. (a) Except as provided by  
Section 1550.054, an insurer that bids on a contract subject to the  
competitive bidding and competitive proposal requirements adopted  
under Section 252.021, Local Government Code, may not submit a bid  
for a contract to provide stop-loss or other insurance coverage  
that is subject to any qualification imposed by the insurer that  
permits the insurer to modify or limit the terms of insurance  
coverage to be provided after the contract has been made.

(b) An insurer's bid submitted under Section 252.021, Local  
Government Code, must contain the insurer's entire offer.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec.

1G.002, eff. April 1, 2009.

Sec. 1550.053. CERTAIN EXCLUSIONS AND INCREASED DEDUCTIBLES PROHIBITED. Except as provided by Section [1550.054](#), an insurer that provides stop-loss or other insurance coverage for health benefits under a contract subject to this subchapter may not, based on an individual's prior medical history:

(1) exclude from coverage an individual who is otherwise eligible for the health benefits coverage; or

(2) assign a higher deductible to the individual.

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. [2636](#)), Sec. 1G.002, eff. April 1, 2009.

Sec. 1550.054. EXCEPTION FOR WRITTEN WAIVER. By executing a written waiver in favor of the insurer, a municipality as defined by Section [1.005](#), Local Government Code, may waive a requirement of Section [1550.052](#) or [1550.053](#)(2).

Added by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. [2636](#)), Sec. 1G.002, eff. April 1, 2009.